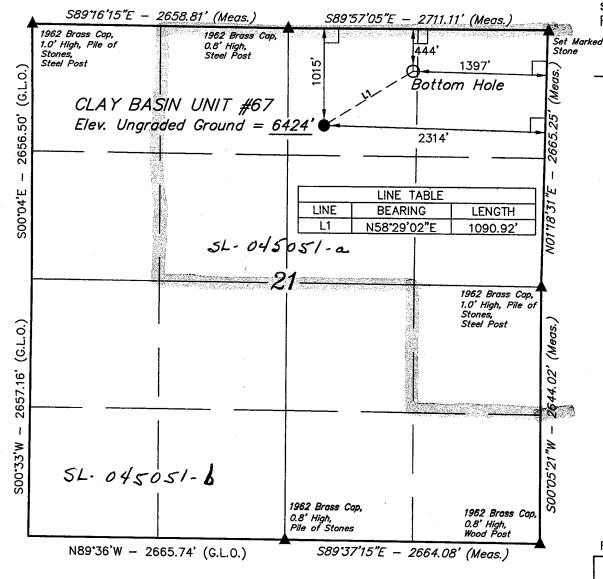
#### ATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL GAS AND MINING

	DEPARTMENT OF OIL, G	SAS AND MINING	3		AMENDED (highlig	REPORT ht changes)	
	APPLICATION FOR PERM	IT TO DRILL		· ·	5. MINERAL LEASE NO SL 045051a	6. SURFAC	
44 TVDE OF WORK	DRILL X REENTER	DEEDEN 🗍			7. IF INDIAN, ALLOTTE	E OR TRIBE NA	
1A. TYPE OF WORK		DEEPEN L	X MULTIPLE Z		8. UNIT or CA AGREEN	I/A MENT NAME:	
B. TYPE OF WELL:		SINGLE ZONE	MULTIPLE Z	ONE L_		BASIN	
2. NAME OF OPERA		A A IN C			9. NAME OF WELL and		07
3. ADDRESS OF OP	WEXPRO COMPA	ANY	PHONE NUMBER:		CLAY BASIN 10. FIELD AND POOL,		6/
P.O. BOX	458 CITY ROCK SPRINGS STATE V	WY ZIP 82902	307 382-9	791	1	BASIN	
4. LOCATION OF W	ELLS (FOOTAGES) 650556 × 453868	394 40.9	87400 -109.	210260	11. QTR/QTR, SECTIO MERIDIAN:	N, TOWNSHIP, I	RANGE,
AT SURFACE:	1015' FNL. 23	14' FEL. NW N	Eanda.		WEI (ID) II (		
AT PRODUCING	ZONE: 650833X 453886444' FNL,	1397' FEL, NW	- 40.98899 NE -1 <b>69</b> -2	06930			&M
14. DISTANCE IN MI	LES AND DIRECTION FROM NEAREST TOWN OR PO APPROXIMATELY 7 MILES FROM				12. COUNTY  DAGGETT	13. STATE UTAH	ı
15. DISTANCE TO N	EAREST PROPERTY OR LEASE LINE (FEET)		ACRES IN LEASE:	17. NUMBE	ER OF ACRES ASSIGNE		
	1015'		640		N/A		
	EAREST WELL (DRILLING, COMPLETED, OR N THIS LEASE (FEET)	19. PROPOSED	DEPTH:	20. BOND	DESCRIPTION:		
	2400'	5,600' T	/D 5740' MD	Nationw	ide Bond No. 96	5002976	
21. ELEVATIONS (SH	OW WHETHER DF, RT, GR, ETC.)		TE DATE WORK WILL		23. ESTIMATED DURA		
	6359' ungraded	Ser	otember 15, 2008	3	25 E	DAYS	
24.	PROPOSED CA	ASING AND CI	MENTING PRO	GRAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT	TYPE, QUA	NTITY, YIELD, AND SLU	IRRY WEIGHT	
24"	20" - CORRUGATED CONDUCTOR	60'	40 CUBIC YAI	RD CON	STRUCTION CE	MENT	
12-1/4"	9-5/8" 36#, K-55, ST&C	500'	SEE ATTACH	ED DRIL	LING PLAN		
7-7/8"	4-1/2" 11.6#, P-110, LT&C	5,740' MD	SEE ATTACH	ED DRIL	LING PLAN		
		5,600' TVD					
					_		
		·					
25.		ATTACHME	ENTS				
	LOWING ARE ATTACHED IN ACCORDANCE WITH T			ZENERAL R	III ES:		
_		. —			occo.		
X WELL PLAT O	R MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	X o	OMPLETE DRILLING PLAN	ı			
EVIDENCE OF	DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WAT	ER F	DRM 5, IF OPERATOR IS F	PERSON OR C	OMPANY OTHER THAN TH	IE LEASE OWNER	:
NAME (PLEASE	PRINT) G. T. NIMMO	Т	TLE OPERATION	ONS MAN	NAGER		
SIGNATURE	Th/ Vario	D	ATE <u>027/08</u>	? 	Committee of the Commit	٠, ١	
(This space for State	use only)	App Uta	roved by the h Division of	P	FEB 27 2008	A. A.	
API NUMBER AS	SIGNED 430048	Oil, G	as and Mining DVAL:	1.72 000	OF OIL, GAS & MIN	NG	
(11/2001)	Federal Approval of this Action is Necessary	Date: (See Instructions of By:	XI DQ -DQ n Reverse(side)		,		

### T3N, R24E, S.L.B.&M.



#### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

#### LEGEND:

L = 90° SYMB

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

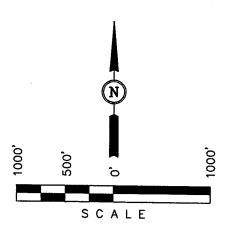
# (AUTONOMOUS NAD 83) LATITUDE = 40°59'13.78" (40.987161) LONGITUDE = 109°12'38.86" (109.210794) (AUTONOMOUS NAD 27) LATITUDE = 40°59'13.93" (40.987203) LONGITUDE = 109°12'36.40" (109.210111)

#### WEXPRO COMPANY

Well location, CLAY BASIN UNIT #67, located as shown in the NW 1/4 NE 1/4 of Section 21, T3N, R24E, S.L.B.&M., Daggett County, Utah.

#### BASIS OF ELEVATION

BENCH MARK LOCATED IN THE NE 1/4 NW 1/4 OF SECTION 28, T3N, R24E, S.L.B.&M. TAKEN FROM THE CLAY BASIN, QUADRANGLE, UTAH, DAGGETT COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6313 FEET.



#### **CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE THAT WAS FREDARED FROM FIELD NOTES OF ACTUAL SURVEY AND BY ME DRY WE DRY WE SUPERVISION AND THAT THE SAME ARE TRUE AND OFFICED TO THE BEST OF MY KNOWLEDGE AND BEST OF MY KNOWLEDGE AND BEST

REVISED: 12-13-07

UINTAH ENGINEERING & TAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: DATE DRAWN: 10-26-07 11-06-07
PARTY T.A. D.H. L.K.	REFERENCES G.L.O. PLAT
WEATHER COOL	FILE WEXPRO COMPANY



March 4, 2009

Company

180 East 100 South PO. Box 45601 Salt Lake City, UT 84145-0601

Tel 801 324 2600 · Fax 801 324 2637

Ms. Diane Mason State of Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

Re:

Request for Exception Location and for Approval of Directional Drilling

Clay Basin Unit, Well #67

SURFACE: 1015' FNL, 2314' FEL, NW1/4NE1/4, Sec. 21, T3N, R24E, SLB&M BOTTOM HOLE: 444' FNL, 1397' FEL, NW1/4NE1/4, Sec. 21, T3N, R24E, SLB&M

Lease No. SL 045051a

Dear Ms. Whitney:

In accordance with R649-3-3 and R649-3-11, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling, respectively. These approvals are for the Clay Basin Well #67. The captioned well is to be drilled directionally with a surface location in the NW1/4NE1/4 of Section 21 and a proposed bottom hole location 444' FNL and 1397' FEL in the NW1/4NE1/4 of Section 21. All of Section 21 is committed to the Clay Basin Unit, which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Wexpro is permitting this well as a directional well due to topographic reasons. Pursuant to R649-3-11, Wexpro requests approval to drill the above-referenced well directionally. Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro. thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

Coordinator: Contracts and Land

cc:

Bureau of Land Management

Paul Jibson – Wexpro Company

Frank Nielsen – Questar Exploration and Production Company

DIV. OF OIL, GAS & MINING

#### Drilling Plan Wexpro Company Clay Basin Unit Well No. 67 Daggett County, Utah

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

Formation		Depth	Remarks
	TVD	MD	
Mancos	Surface	Surface	
КОР	500'	500'	
Vertical	5,300'	5,440'	
Frontier	5,306'	5,446'	Gas, Secondary Objective
A Sand	5,309'	5,449'	Gas, Secondary Objective
B Sand	5,324'	5,464'	Gas, Major Objective
C Sand	5,358'	5,468'	Gas, Major Objective
D Sand	5,398'	5590'	Gas, Major Objective
Mowry	5,500'	5,640'	
Total Depth	5,600'	5,740'	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

2. PRESSURE CONTROL EQUIPMENT: (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 3000 psi double gate hydraulically operated blowout preventer and an 11-inch 3000 psi annular preventer. BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing. The annular preventer will be tested at 50-percent of its rated working pressure.

NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by rig equipment after each string of casing is run. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

#### **AUXILIARY EQUIPMENT:**

- a. Manually operated kelly cock
- b. No floats at bit
- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

#### 3. CASING PROGRAM:

Size	Тор	Bottom	Weight	Grade	Thread	Condition
20"	sfc	60'				Steel Conductor
9-5/8"	sfc	500'	36	K55	STC	New
4-1/2"	sfc	5,740' MD 5,600' TVD	13.5	P110	LTC	New

Casing Strengths:				Collapse	Burst	Tensile (minimum)		
9-5/8"	36 lb.	K55	STC	2,020 psi	3,520 psi	423,000 lb.		
4-1/2"	13.5 lb.	P110	LTC	10,680 psi	12,410 psi	338,000 lb		

(See attached casing design sheet)

#### **CEMENTING PROGRAMS:**

- 9-5/8-inch Surface Casing: 333 cu.ft. of Class G with 2% CaCl<sub>2</sub> (1/4% celloflake will only be used if lost circulation is encountered).
- 4-1/2-inch Production Casing: 2057 cu. ft Poz / Class G with retarder, reducer and fluid loss additives, if needed.
- 4. MUD PROGRAM: Surface to 500 feet will be drilled with a rat hole rig. Fresh water with gels and polymer sweeps, as necessary from 500 feet to Total Depth. Mud up, mud weight of 9.0 10.0 ppg, should be accomplished by 4500 feet to drill from the Frontier to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

No chrome constituent additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. LOGGING: DIL-GR-Micro Log

FDC/CNL/GR/PE/CAL

BHC- Sonic /Caliper

RFT (or comparable)

- Total Depth to surface casing

- Total Depth to surface casing

- Total Depth to surface casing

- Total Depth to Wasatch top @ 5250'

TESTING: None

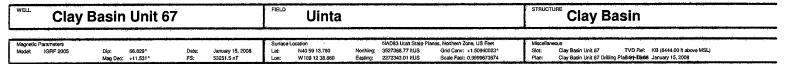
CORING: None

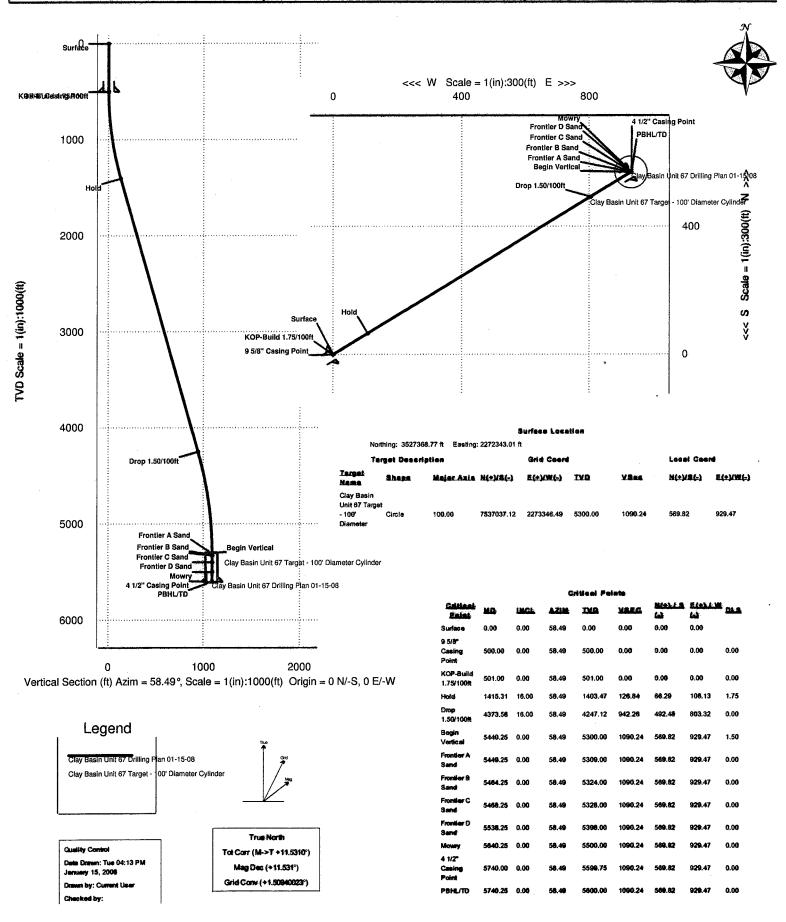
6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated. A BHT of 124 degrees F.

7. ANTICIPATED STARTING DATE: September 15, 2008

**DURATION OF OPERATION: 25 days** 

## Schlumberger





Clay Basin Unit 67 Drilling Plan 01-15-08 Proposal

Report Date: January 15, 2008

Client:

Field: Uinta

Structure / Slot: Clay Basin / Clay Basin Unit 67

Well: Clay Basin Unit 67 Borehole: Original Hole(est RKB)

LIWI/API#:

Survey Name / Date: Clay Basin Unit 67 Drilling Plan 01-15-08 / January 15, 2008

Tort / AHD / DDI / ERD ratio: 32.001° / 1090.24 ft / 4.553 / 0.195

Grid Coordinate System: NAD83 Utah State Planes, Northern Zone, US Feet Location Lat/Long: N 40 59 13.780, W 109 12 38.860

Location Grid N/E Y/X: N 3527368.773 ftUS, E 2272343.011 ftUS

Grid Convergence Angle: +1.50940023° Grid Scale Factor: 0.99996737

Survey / DLS Computation Method: Minimum Curvature / Lubinski

Vertical Section Azimuth: 58.490°

Vertical Section Origin: N 0.000 ft, E 0.000 ft

TVD Reference Datum: Surface

TVD Reference Elevation: 6444.0 ft relative to MSL

Sea Bed / Ground Level Elevation: 6424.000 ft relative to MSL

Magnetic Declination: 11.531° Total Field Strength: 53251.464 nT

Magnetic Dip: 66.829°

Declination Date: January 15, 2008 Magnetic Declination Model: IGRF 2005

North Reference: True North Total Corr Mag North -> True North: +11.531°

Local Coordinates Referenced To: Well Head

Comments	Measured Depth	Inclination	Azimuth	TVD	Vertical Section	NS	EW	Closure	Closure Azimuth	DLS	Tool Face	Northing	Easting
	(ft)	(deg)	( deg )	(ft)	(ft)	(ft)	(ft)	(ft)	(deg)	( deg/100 ft )	(deg)	(ftUS)	(ftUS)
Surface	0.00	0.00	58.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58.49M	3527368.77	2272343.01
9 5/8" Casing Point	500.00	0.00	58.49	500.00	0.00	0.00	0.00	0.00	0.00	0.00	58.49M	3527368.77	2272343.01
KOP-Build 1.75/100ft	501.00	0.00	58.49	501.00	0.00	0.00	0.00	0.00	0.00	0.00	58.49M	3527368.77	2272343.01
Hold	1415.31	16.00	58.49	1403.47	126.84	66.29	108.13	126.84	58.49	1.75	0.00G	3527437.89	2272449.36
Drop 1.50/100ft	4373.56	16.00	58.49	4247.12	942.26	492.48	803.32	942.26	58.49	0.00	180.00G	3527882.22	2273133.05
Begin Vertical	5440.25	0.00	58.49	5300.00	1090.24	569.82	929.47	1090.24	58.49	1.50	58.49M	3527962.86	2273257.12
Frontier A Sand	5449.25	0.00	58.49	5309.00	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
Frontier B Sand	5464.25	0.00	<i>58.4</i> 9	5324.00	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
Frontier C Sand	5468.25	0.00	58.49	5328.00	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
Frontier D Sand	5538.25	0.00	58.49	5398.00	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
Mowry	5640.25	0.00	58.49	5500.00	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
4 1/2" Casing Point	5740.00	0.00	58.49	5599.75	1090.24	569.82	929.47	1090.24	58.49	0.00	58.49M	3527962.86	2273257.12
PBHL/TD	5740.25	0.00	58.49	5600.00	1090.24	569.82	929.47	1090.24	58.49	0.00	M00.0	3527962.86	2273257.12

Survey Type: Non-Def Proposal

Survey Error Model: SLB ISCWSA version 22 \*\*\* 3-D 95.00% Confidence 2.7955 sigma

Surveying Prog:

MD From (ft)

0.00 20.00

MD To (ft) EOU Freq Survey Tool Type

20.00

1/100.00 SLB\_MWD-STD-Depth Only

5740.25 1/100.00 SLB\_MWD-STD

Borehole -> Survey

Original Hole(est RKB) -> Clay Basin Unit 67 Drilling Plan 01-15-08 Original Hole(est RKB) -> Clay Basin Unit 67 Drilling Plan 01-15-08

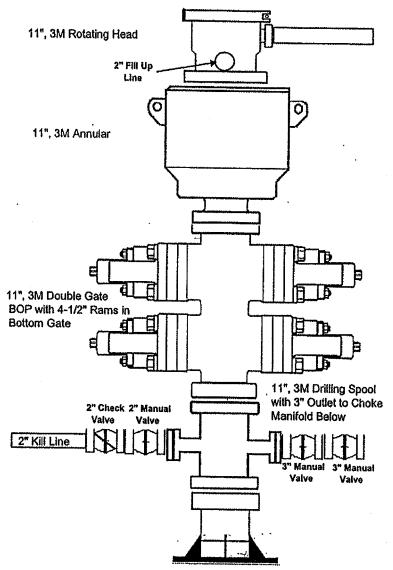
## CLAY BASIN UNIT WELL NO. 67

SURFAC	E CASING								
	CASING: ANNULUS: EXCESS: CEMENT YIELD: TOTAL DEPTH TOP OF TAIL TOP OF LEAD		9-5/8", 12-1/4 LEAD TAIL		K-55 ige Hole)		0.4340 cu.ft./ 0.3132 cu.ft./ 100% 2.56 cu.ft/s 1.15 cu.ft/s 500 Feet Feet 0 Feet	lin.ft sack	11.6 PPG 15.8 PPG
LEAD SLURR	Υ					CU.FT			
	ANN ANN EXCESS	0	то	0	0.3132				
TAIL SLURR	Y	<del></del>				0.00		0 SACKS	0 CU.FT.
	CSG ANN ANN EXCESS	500 500	TO TO	455	0.4340 0.3132 100%	19.53 156.6 156.6 332.73 <b>DISPLAC</b>		39 SACKS	333 CU.FT.

PRODUC	TION CA	SINC	G:								
	CASING:		4-1/2	!", 13.5#	, P-110		0.0838	cu.ft./	lin.ft		
7	ANNULUS:		9-1/4	" (From	Open H	ole Logs)					
_							0.3236		lin.ft		
	EXCESS:				LEAD		10%		1- 44 4		
_	CEMENT YIELD:				LEAD TAIL				ack - 11.6		
	TOTAL DEPTH				IAIL		5,740	Feet	ack - 14.2	PPG	
	TOP OF TAIL						500	Feet			
	TOP OF LEAD		OPF	N HOLE	:		500	1 661			
-	TOI OI LLAD			FACE C			SURPACE	Feet			
LEAD SLURRY	<b>r</b>					CU.FT					
_											
,	ANN	500	TO	500	0.3562	0.00					
		500	TO	500	0.3236	0.00					
	ANN EXCESS				10%	0.00					
***************************************						0.00			0 SACKS	0	CU.FT.
TAIL SLURRY		<u> </u>	<del></del>			CU.FT					
(	CSG	5,740	TO	5,695	0.0838	3.771					,
-	ANN	5,740	TO	500	0.3562	1866.5					
7	ANN EXCESS				10%	The state of the s					
						2056.91			1 SACKS	2057	CU.FT.
						DISPLAC	EMENT	85.	0 BBLS		

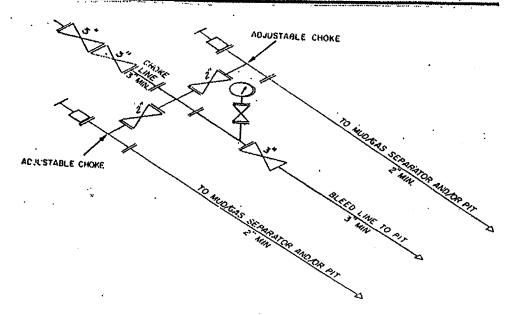
### WUESTAK WEXPRU 3,000 psi BOP

Minimum Requirements



3M CHOKE MANIFOLD EQUIPMENT — CONFIGI IRATION MAY VARY

46812 Federal Register / Vol. 53, No. 223 / Friday, November 18, 1988 / Rules and Regulations



#### Surface Use and Operations Wexpro Company Clay Basin Unit Well No. 67 Daggett County, Utah

#### 1. Existing Road:

- A. <u>Proposed Well Site as Staked</u>: Refer to well location plat and area map.
- B. <u>Proposed Access Route</u>: Refer to general area map. All access roads are within lease boundaries.
- C. <u>Plans for Improvement and/or Maintenance</u>: All existing roads utilized will be maintained in their present condition and no improvements will be made.

#### 2. Planned Access Roads:

- A. The existing road of approximate 20 feet of newly constructed road connecting the existing road to the drilling pad will necessitate a 30-foot wide right-of-way (maximum disturbance).
- B. Maximum grade: Will not exceed 10 percent.
- C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
- D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
- E. The existing 18" CMP will be cleaned out or replaced, as necessary, at the point the access road leaves the existing road.
- F. Surface materials: Surface materials will be obtained from cuts along the access road and location. Spot surfacing may be required to maintain the running surface.
- G. Any topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.
- 3. <u>Location of Existing Wells</u>: Refer to area map for the location of existing wells within a one-mile radius.

4. <u>Location of Existing and/or Proposed Facilities</u>: Refer to area maps. Facilities will be installed as detailed on the attached diagram.

All permanent (onsite for six months or longer) structures constructed or installed will be painted Shale Green, a flat, non-reflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain one-and-a-half times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

#### <u>Pipeline</u>

Approximately 769' of existing Questar Gas Management pipeline will be rerouted, as shown on Topo D, to allow for the construction of the well pad.

The proposed pipeline will be constructed and operated by Questar Gas Management Company. The pipeline will be approximately 52' in length. The proposed surface pipeline will be 3.5 O.D., Grade B or X-42 with a 0.188-inch wall thickness. The width of the right-of-way requested is 50 feet for construction and will revert to 30 feet for operation and maintenance purposes. The pipeline will be either brown or black in color.

The maximum operating pressure that the natural gas pipeline is designed for is 1170 psig. Associated facilities include above ground valves and piping at the lateral junctions.

- 5. <u>Location and Type of Water Supply</u>: Water will be hauled by tank trucks from the town of Rock Springs, Wyoming or from Red Creek.
- 6. <u>Source of Construction Materials</u>: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
- 7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate. The fence will be

maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. Produced water will be confined to a 400 barrel tank on location and application for approval of a permanent disposal method and location will be submitted for the Authorized Officer's approval.

- 8. Ancillary Facilities: Camp facilities will not be required.
- 9. Wellsite Layout: Refer to drawing.
- 10. <u>Plans for Restoration of the Surface</u>: During construction, all woody vegetation and the top six-inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. All disturbed areas will be recontoured to the approximate natural contours to the satisfaction of the Authorized Officer.

The stockpiled topsoil will be evenly distributed over the disturbed areas. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Reseeding will be done in the fall before ground frost.

A seed drill equipped with a regulator will be required. Seed will be drilled 1/4-1/2 inch deep on the contour using the following seed mixture specified by the Bureau of Land Management.

Species	lbs. PLS/acre
Shadscale	4 lbs PLS/acre
Gardner's Saltbush	4 lbs PLS/acre
Blue Gramma Grass	4 lbs PLS/acre
Total	12 lbs PLS/acre

Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

- 11. <u>Surface and Mineral Ownership</u>: Surface ownership along the access road is federal and surface ownership at the wellsite is federal.
- 12. <u>Other Information</u>: Anna Figueroa of the Bureau of Land Management, Vernal Field Office in Vernal, Utah will be notified at least 72-hours prior to commencement of <u>both</u> construction and reclamation operations.

A Class III Cultural Resource Inventory will be completed and the report forwarded to the Bureau of Land Management.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. <u>Lessee's or Operators Representative and Certification</u>:

G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902, telephone number (307) 352-7577.

#### **Certification**:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Wexpro Company is considered to be the operator of Well No. 67; NW ¼, NE ¼, Section 21, Township 3N, Range 24E; Lease SL-045051a, Daggett County; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Bond ESB000024, Nationwide Bond No. 965002976

Date: 02/50B

Name

G. T. Nimmo, Operations Manager

## **WEXPRO COMPANY**

CLAY BASIN UNIT #67

LOCATED IN DAGGETT COUNTY, UTAH **SECTION 21, T3N, R24E, S.L.B.&M.** 

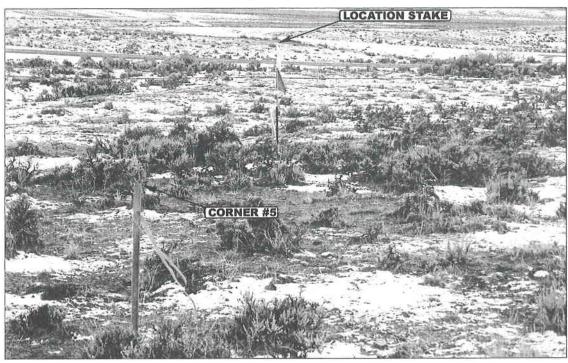


PHOTO: VIEW FROM

CAMERA ANGLE: SOUTHWESTERLY

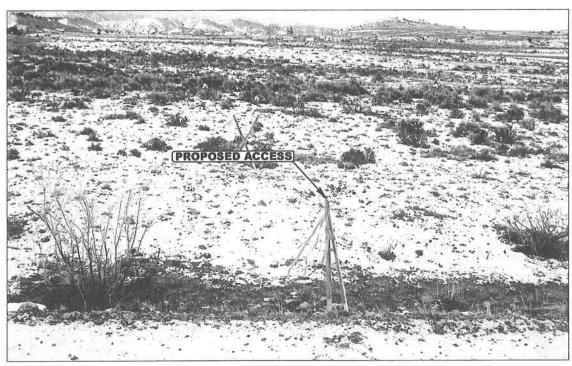


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

**CAMERA ANGLE: EASTERLY** 



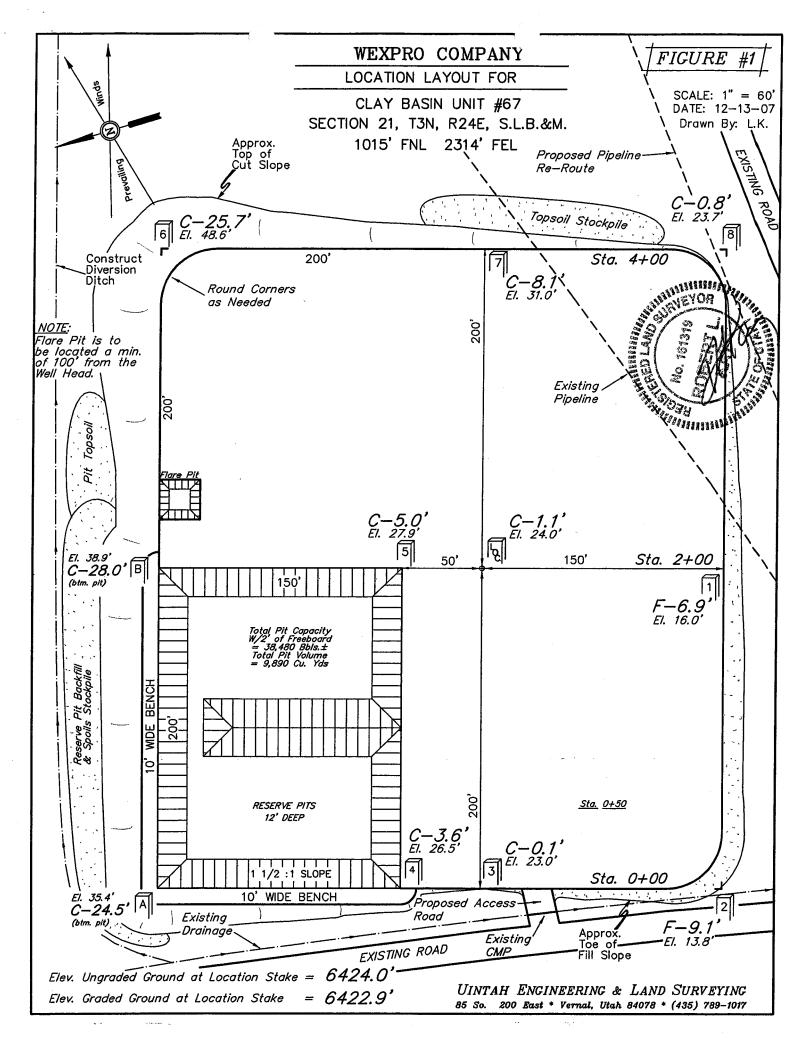
Uintah Engineering & Land Surveying \$85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

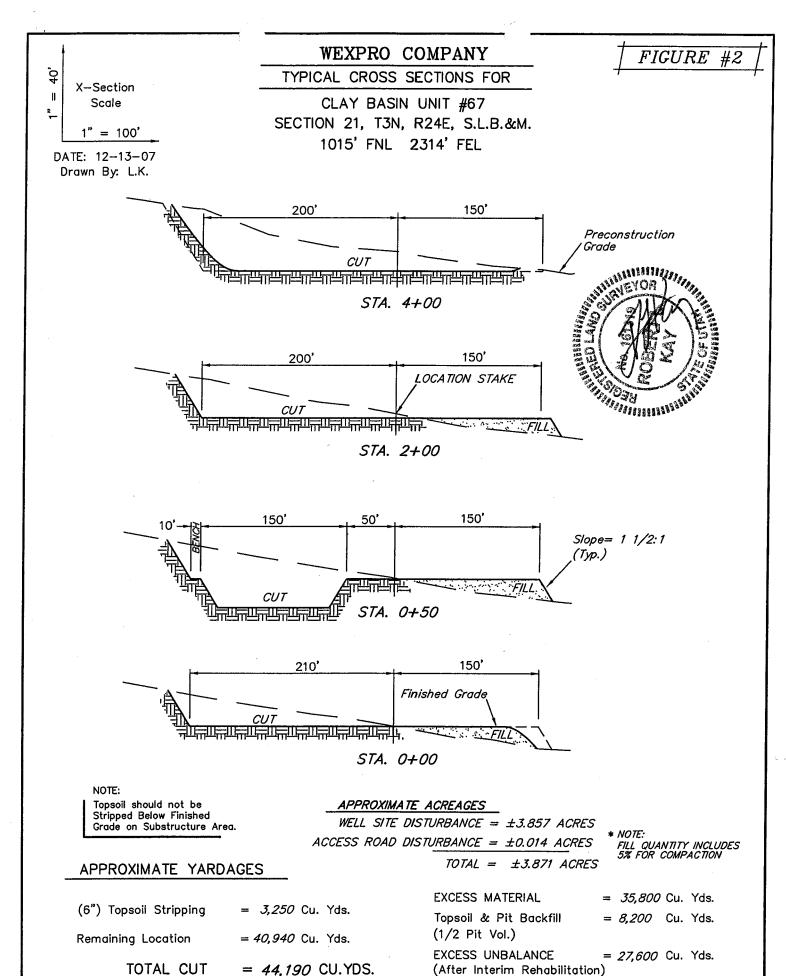
LOCATION PHOTOS

YEAR MONTH DAY

РНОТО

TAKEN BY; T.A. | DRAWN BY; J.L.G. | REVISED: 00-00-00

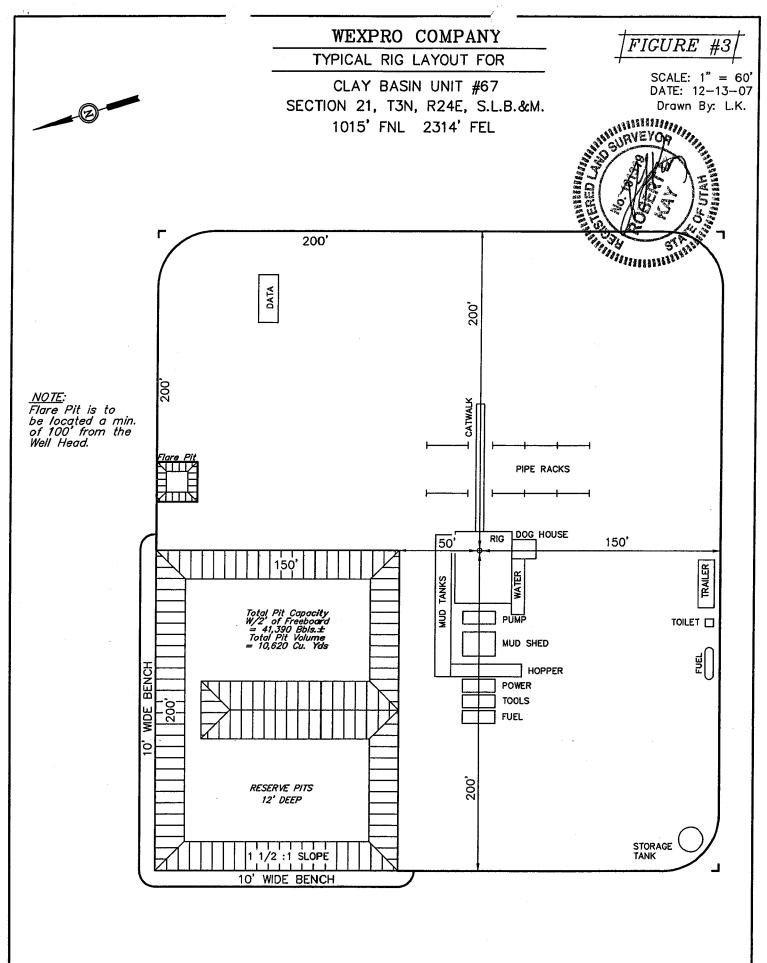




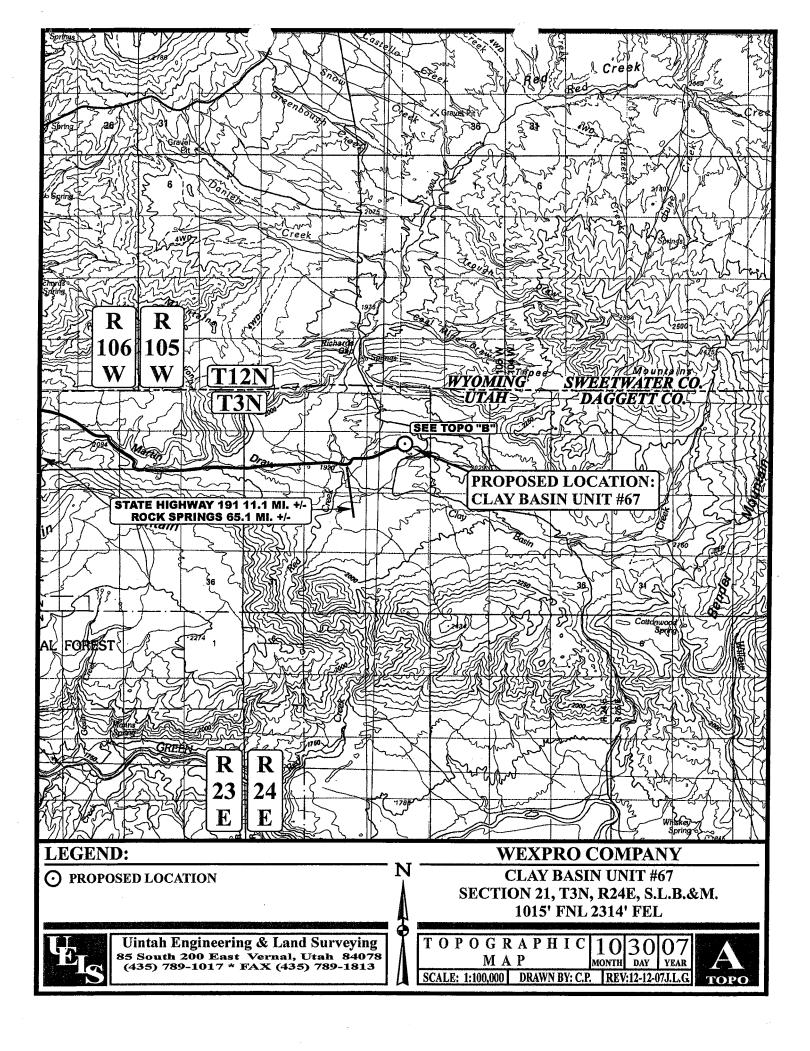
TOTAL CUT = 44,190 CU.YDS. (After Interim Rehabilitation)

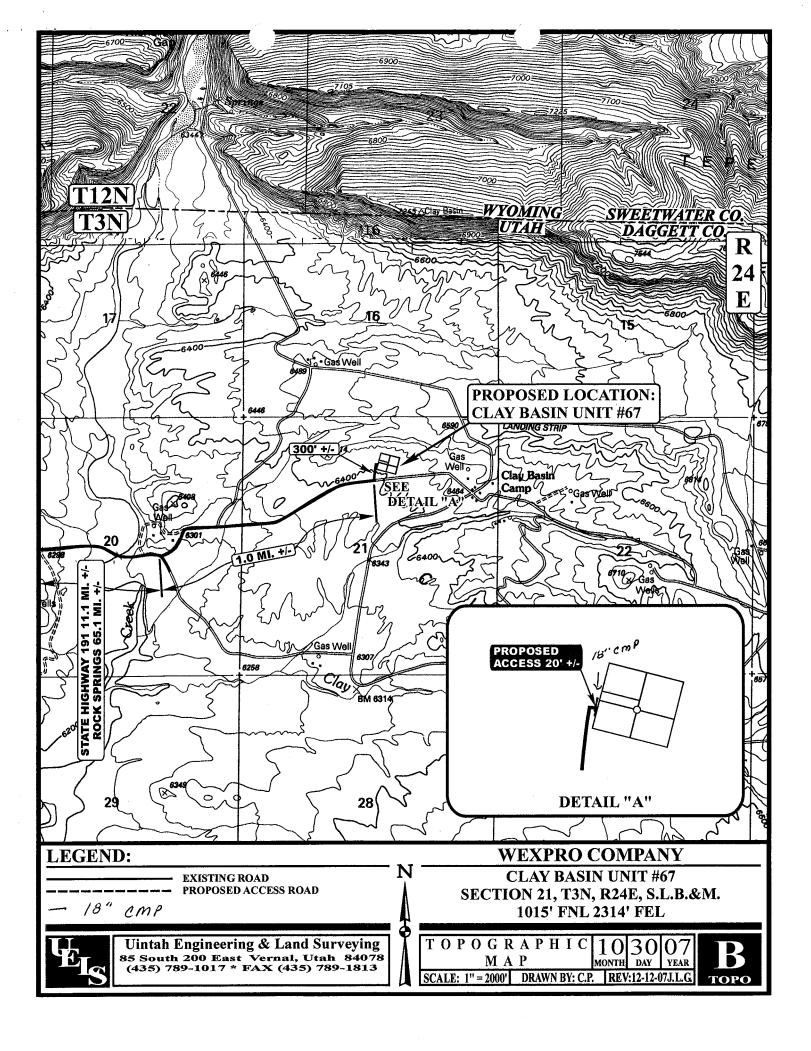
FILL = 8,390 CU.YDS.

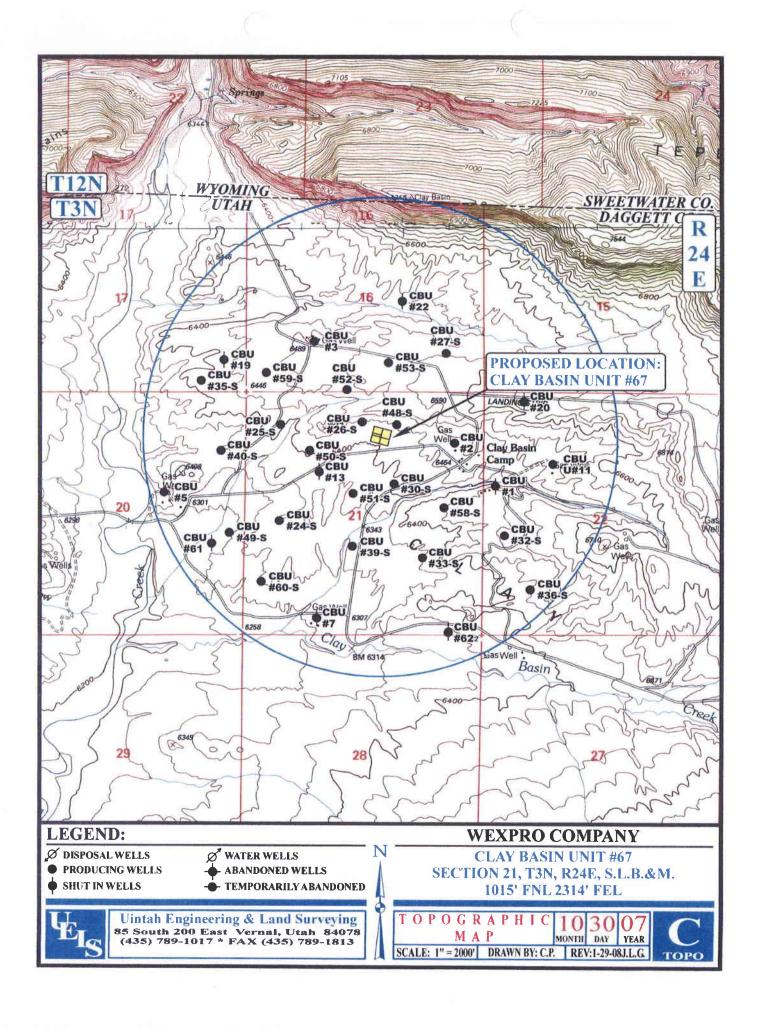
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

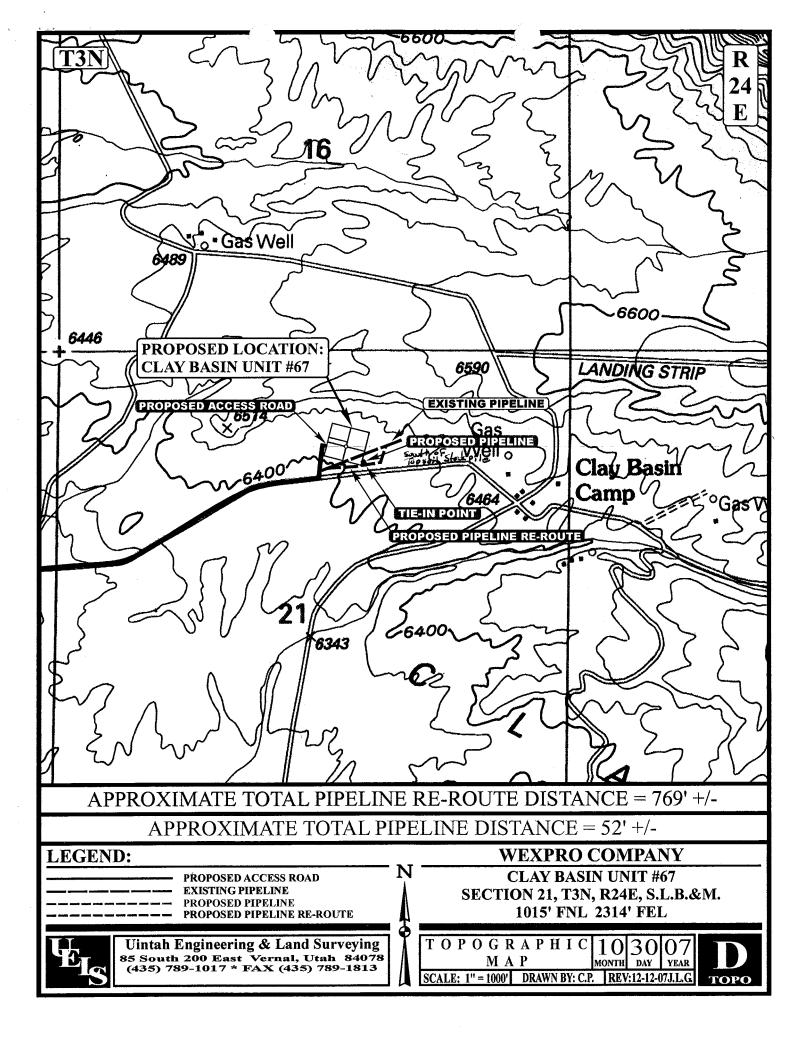


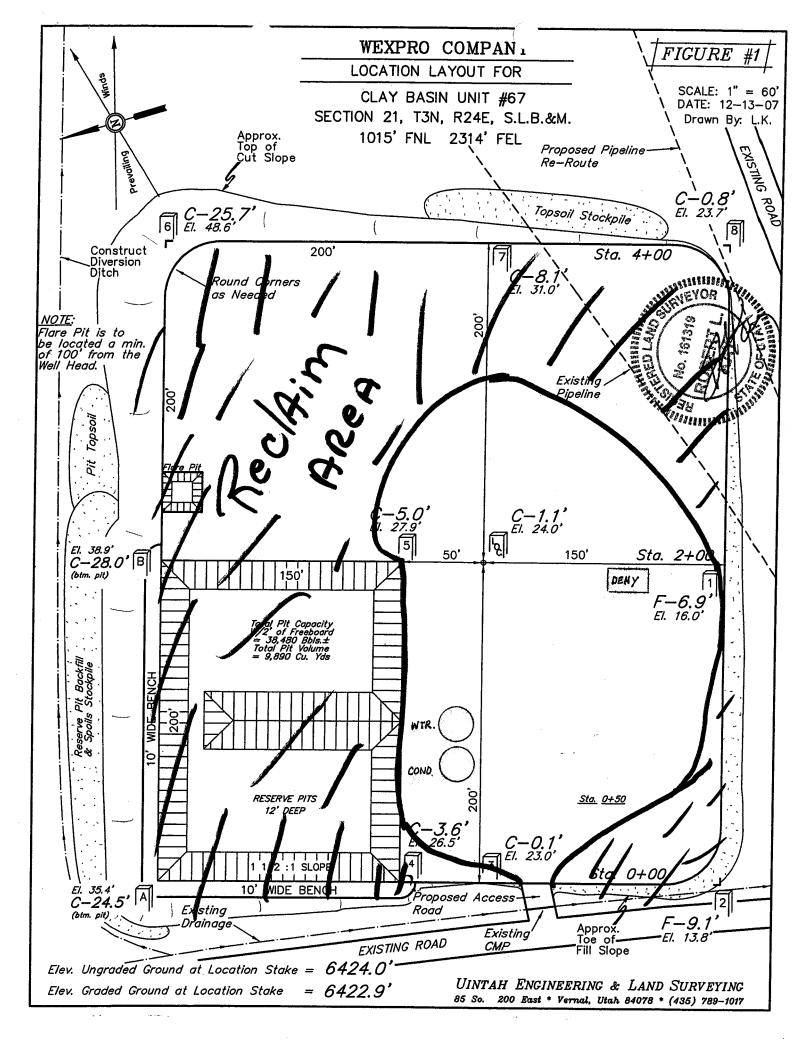
UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017





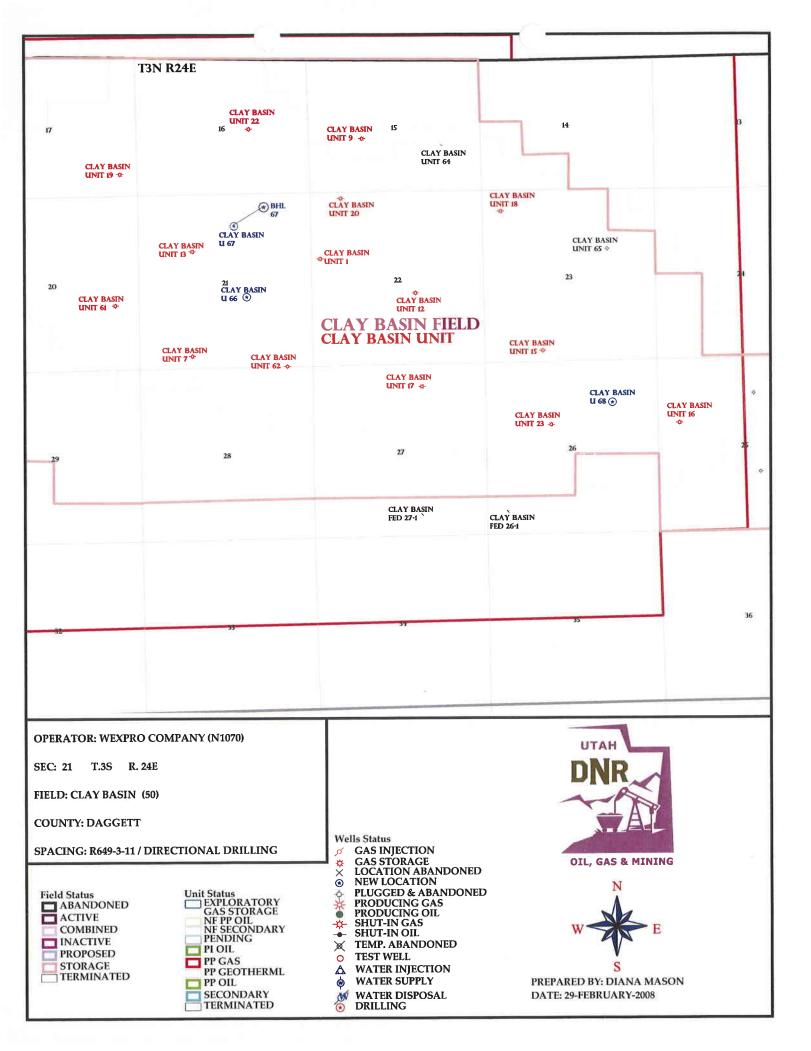






## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/27/2008		API NO. ASSIG	GNED: 43-009	-30068
WELL NAME: CLAY BASIN U 67  OPERATOR: WEXPRO COMPANY ( N1070 )  CONTACT: G.T. NIMMO		PHONE NUMBER:	307-382-9791	
PROPOSED LOCATION:		INSPECT LOCATN	BY: /	/
NWNE 21 030N 240E		Tech Review	Initials	Date
SURFACE: 1015 FNL 2314 FEL BOTTOM: 0444 FNL 1397 FEL		Engineering		
COUNTY: DAGGETT		Geology		
LATITUDE: 40.98740 LONGITUDE: -109.2103 UTM SURF EASTINGS: 650556 NORTHINGS: 45386	89	Surface		
FIELD NAME: CLAY BASIN (50  LEASE TYPE: 1 - Federal  LEASE NUMBER: SL 045051A  SURFACE OWNER: 1 - Federal		PROPOSED FORMA		(
Plat    Plat     Bond: Fed[1] Ind[] Sta[] Fee[]     (No. 965002976	F Unit: F S F	CON AND SITING:  R649-2-3.  CLAY BASIN GAS  R649-3-2. Gener  Siting: 460 From Q  R649-3-3. Excep  Drilling Unit  Board Cause No: Eff Date: Siting:  R649-3-11. Dire	ral tr/Qtr & 920' B otion	
COMMENTS:		\		
stipulations: 1 Jeden ( Ob) 2 Spacing	Dip.	)		



### **United States Department of the Interior**

#### BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

March 3, 2008

#### Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2008 Plan of Development Clay Basin Unit, Daggett County, Utah and Sweetwater County

Wyoming.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Eight Mile Flat Unit, Uintah County, Utah.

#### (Proposed PZ Frontier)

43-009-30067 Clay Basin U 66 Sec 21 T03N R24E 2154 FSL 1974 FEL 43-009-30066 Clay Basin U 68 Sec 26 T03N R24E 1303 FNL 1338 FEL 43-009-30068 Clay Basin U 67 Sec 21 T03N R24E 1015 FNL 2314 FEL BHL Sec 21 T03N R24E 0444 FNL 1397 FEL

This office has no objection to permitting the wells at this time.

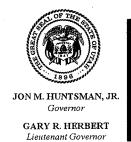
/s/ Michael L. Coulthard

bcc: File - Clay Basin Unit

Division of Oil Gas and Mining

Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:3-3-08



### State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 9, 2009

Wexpro Company P O Box 458 Rock Springs, WY 82902

Re:

Clay Basin Unit 67 Well, Surface Location 1015' FNL, 2314' FEL, NW NE, Sec. 21,

T. 3 North, R. 24 East, Bottom Location 444' FNL, 1397' FEL, NW NE, Sec. 21,

T. 3 North, R. 24 East, Daggett County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-009-30068.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Daggett County Assessor

Bureau of Land Management, Vernal Office



Operator:	Wexpro	Company						
Well Name & Number	Clay Ba	Clay Basin Unit 67						
API Number:	43-009-	30068						
Lease:	SL 0450	051A						
Surface Location: <u>NW NE</u>	Sec. 21	T. <u>3 North</u>	<b>R.</b> <u>24 East</u>					
<b>Bottom Location:</b> NW NE	Sec. 21_	T. 3 North	<b>R.</b> <u>24 East</u>					

#### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
- 6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

## RECEIVE

Form 3160-3 (August, 2007)

conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and States any false, fictitious or fraudulent **UNITED STATES** 

OMB NO. 1004-0137 Expires: July 31, 2010

Application approval does not warrant or current hat the applicant holds lega	I or equitable title to those rights in the sul	oject lease whi	ch would entitle the applicant to	ΔPD 20 a			
Title Assistant Field Manager	Office VERNAL FIELD	OFFIC		RECEIVI			
Joy Frugh	Texer levels		APF	4,000			
Approved By (Signature)	Name (Printed/ Typed)	<u>.</u>	Date AD	2 2 4 0000			
Title	OPERATIONS MANAGE	ER					
Title	<u> </u>	G. T. N	IMINO CEZIC	<u> </u>			
25. Signature	Name (Printed/ Typed)		Date	SO			
	authorized o	tticer.		(ATI)			
SUPO shall be filed with the appropriate Forest Service	4		information and/ or plans as				
3. A Surface Use Plan ( if the location is on National For	· .						
2. A Drilling Plan.	item 20 abov	=					
Well plat certified by a registered surveyor.	4. Bond to cove	er the opera	tions unless covered by exis	ting bond on file(se			
the tottowing, completed in accordance with the requirem	ichts of Offshole Off and Gas Of	uci ivo, i si	nam be attached to this torm.				
The following, completed in accordance with the requirem		der No. Lei	hall be attached to this form				
6424' ungraded	September 15,	2006		10			
			25 DA				
21. Elevations (Show whether DF. RT, GR, etc.)	22. Aproximate date wo			1			
to nearest well, drilling, completed, 2400' applied for, on this lease, ft.	5,740 MD 5,600 TVD		wide Bond No. 965002976 Bond No. ESB000024				
18. Distance from proposed location* to nearest well, drilling, completed. 2400'	19. Proposed Depth	1	M/ BIA Bond No. on file wide Bond No. 965002976				
(Also to nearest drlg. unit line, if any)	10.0	20 57	M/DIA Dan INI CI				
property or lease line, ft.	640		N/A				
location to nearest 1015'		1 1					
15. Distance from proposed*	16. No. of acres in lease	17. Sp	acing Unit dedicated to this	well			
APPROXIMATELY 7 MILES FROM DUTCH JOHN, UT		DAGGETT UTAH					
14. Distance in miles and direction from the nearest town of		2. County or Parish 13. State					
At proposed prod. zone 444' FNL 13	397' FEL N	IW NE					
At proposed prod. zone			21 T 3N F	24E &M.			
At surface 1015' FNL 2314' FEL NW NE L	Lat. 40.987161 Long. 109	0.210794		S.L.B			
4. Location of well (Report location clearly and In accor	dance with any State requiremen	its.*)	11. Sec.,T.,R.,M.,or Blk.ar	nd Survey or Area			
P. O. BOX 458, ROCK SPRINGS, WY 82902							
·	307 382-9791	•	CLAY BA	•			
3a. Address	3b. Phone No. (include area co	de)	10. Field and Pool, or Expl	oratory			
WEXPRO COM	PANY		PENDIN	, -			
2. Name of Operator			9. API Well No. <b>430</b>	09 300 68			
lb. Type of Well: Oil Well X Gas Well Other	Single Zone Multi	ple Zone	CLAY BASIN WELL	NO. 67			
		-	8. Lease Name and Well 1	vo.			
la. Type of Work: X DRILL	REENTER		CLAY BASIN UTU063009X				
		<del> </del>	7. If Unit or CA Agreeme	nt, Name and No.			
APPLICATION FOR PERMIT TO	DRILL OR REENTE	<b>R</b>	N/A				
			6. If Indian, Allottee or Tr				
BUREAU OF LAND MA		· 😛 🚤	SL 04505	1 a			
DEPARTMENT OF THE		В	5. Agse Serial No.				
UNITEDSIA	1.1763		lan				

ONS OF APPROVAL

a crime for any person knowingly and willfully to make to any department or agency of the Chine MINING

\* (Instructions on page 2)



## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

NAL FIELD OFFICE VERNAL, UT 84078

(435) 781-440



#### CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

Wexpro Company

Location:

NWSE, Sec. 21, T3N, R24E (S)

NWNE, Sec. 21, T3N, R24E (B)

Well No:

Clay Basin Unit #67

Lease No:

UTSL-045051A

API No:

43-009-30068

Agreement:

Clay Basin Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist	David Gordon	(435) 781-4424	
NRS/Enviro Scientist	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist	Chuck Macdonald	435) 781-4441	(435) 828-7481
NRS/Enviro Scientist	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist	Holly Villa	(435) 781-4404	(435) 828-3544
		Fax: (435) 781-3420	

## A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

#### NOTIFICATION REQUIREMENTS

· · · · · · · · · · · · · · · · · · ·	IVIII	CHITOTTIEQUIRENTE
Location Construction	-	Forty-Eight (48) hours prior to construction of location and
(Notify Environmental Scientist)		access roads.
Location Completion	-	Prior to moving on the drilling rig.
(Notify Environmental Scientist)	·	
Spud Notice	-	Twenty-Four (24) hours prior to spudding the well.
(Notify Petroleum Engineer)		
Casing String & Cementing	_	Twenty-Four (24) hours prior to running casing and cementing
(Notify Supv. Petroleum Tech.)		all casing strings.
BOP & Related Equipment Tests	-	Twenty-Four (24) hours prior to initiating pressure tests.
(Notify Supv. Petroleum Tech.)		· ·
First Production Notice	-	Within Five (5) business days after new well begins or
(Notify Petroleum Engineer)		production resumes after well has been off production for more
		than ninety (90) days.

## SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

#### SITE SPECIFIC COAs:

1. Time Limitations: (Only during construction & drilling)

Lands in this lease have been identified as habitat for some wildlife. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see below).

#### TIME RESTRICTION

#### REASON

December 1 - April 30	Crucial mule deer winter habitat
March 1 - June 30	Sage grouse lek/nesting habitat

There will be no construction, drilling or fracing operations during the above time periods.

- 2. **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- 3. Operator will minimize potential impacts to migratory birds by implementing the following mitigative measures:
  - a) Screen stacks to heater-treater units to prevent bird entry.
  - b) Close waste pits as soon as possible (within 90 days is optimum)
  - c) Remove trees and shrubs outside of nesting season (March 1 July 31) if possible.
- 4. **Diversion of water from Red Creek tributary:** If water is pulled from Red Creek for drilling, construction etc., no materials will be added to or moved in or from the stream channel. If materials are moved in the stream channel, a Core of Engineers 404 permit or a State of Utah Stream Channel Alteration permit will be required.

Page 3 of 8 Well: Clay Basin Unit #67 4/21/2009

- 5. Surface Pipelines: Restrictions for placement of surface pipelines:
  - a): Surface pipelines will be placed 5-10 feet outside of the borrow area.
  - b): Surface pipelines will be placed in such a way that they will not wander into the borrow area.
  - c): Pipelines will be buried at all major road and drainage crossings.
- 6. Specific Conditions Pertaining to Location Construction:
  - Ditch around the well pad & channel flow away from the location.
- 7. **Reserve pit:** Any pits, and open tanks shall be fenced in order to exclude livestock and other wildlife from the area. The reserve pit will be closed within 90 days (weather permitting).
- 8. Paint all facilities covert green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).
- 9. **Invasive/Noxiuos Weeds** The operator will be responsible for treatment and control of invasive and noxious weeds.

<u>Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.</u>

#### 10. Interim Reclamation:

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

> During interim reclamation of the surface, the following seed mixture will be used PLS (Pure Live Seed) formula.

shadscale (Atriplex confertifolia)	3 lbs/acre
Gardner saltbush (Atriplex gardneri)	3 lbs/acre
needle & thread grass (Hesperostipa comata)	
Wyoming big sage (Artemisia tridentata)	

Rates are set for drill seeding; double the rate if broadcasting.

Reseeding may be required if initial seeding is not successful.

#### 11. Final Reclamation:

• Once the location has been plugged and abandoned, final reclamation will be done.

#### DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

#### SITE SPECIFIC DOWNHOLE COAs:

• Logging: Run Gamma Ray from TD to surface.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

#### DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- <u>Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.</u>
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned.
   Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily
  drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order
  No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a
  test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's
  log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each

encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

#### **OPERATING REQUIREMENT REMINDERS:**

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (1/41/4, Sec., Twn, Rng, and P.M.).
  - O Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - o Unit agreement and/or participating area name and number, if applicable.
  - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
  lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
  suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
  obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
  equipment shall be removed from a well to be placed in a suspended status without prior approval of
  the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
  approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
  of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

Page 8 of 8 Well: Clay Basin Unit #67 4/21/2009

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Form 3160-5 (August, 2007)

#### **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED

OMB No. 1004-0137

Expires: July 31, 2010

TITCI 045051D

Lease Serial No.

_		O TO BO TO OUT D		
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			6. If Indian, Allottee, or Tribe Name N/A	
SUBMIT IN TR	IPLICATE - Other Instruction	ons on reverse si	de.	7. If Unit or CA. Agreement Name and/or No.
1. Type of Well				Clay Basin Unit
Oil Well X Gas Well	Other			8. Well Name and No.
2. Name of Operator				Clay Basin Unit No. 67
	WEXPRO COMPANY	ζ		9. API Well No.
3a. Address		3b. Phone No. (inclu	de area code)	1
				43-009-30068
	SPRINGS, WY 82902	(307) 9:	22-5647	10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T				Clay Basin
SHL 1015' FNL, 2314	•	21 T 3N	R 24E	11. County or Parish, State
BHL 444' FNL, 13	97' FEL, NW NE	21 1 514	N 24L	Daggett, Utah
12. CHECK APPROI	PRIATE BOX(S) TO INDICAT	TE NATURE OF 1	NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TY	PE OF ACTION	
X Notice of Intent	Acidize	Deepen	Production ( S	Start/ Resume) Water Shut-off
	Altering Casing	Fracture Treat	Reclamation	Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete	Other
	Change Plans	Plug and abandon	Temporarily A	bandon
Final Abandonment Notice	Convert to Injection	Plug back	X Water Disposa	al

Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Water produced from the above well will be disposed of in a water / blow down tank as previously approved. Excess water production will be hauled to the following State of Utah approved disposal sites:

> R N Industries Inc Sec. 4-2S-2W - Bluebell LaPoint Recycle & Storage Sec. 12-5S-19E - LaPoint Dalbo, Inc Sec. 02-6S-20E - Vernal

peepted by the Utah Division of Oil, Gas and Mining R RECORD ONLY

All excess produced water will be hauled by tank truck over Unit, Tribal, County and State roads.

#### Electronically Submitted on WIS 5/5/09

14. I hereby certify that the foregoing is true and correct.				
Name (Printed/ Typed)	Title			
G.T. Nimmo	Title	Operations Manager		
Signature	Date	May 5, 2009		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by	Title	Date		
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office			

which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United RECEIVED (Instructions on page 2)

MAY 07 2009

	STATE OF UTAH		FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		5.LEASE DESIGNATION AND SERIAL NUMBER: SL 045051A		
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposition-hole depth, reenter plu DRILL form for such proposals.	sals to drill new wells, significantly deepen igged wells, or to drill horizontal laterals. U	existing wells below current Jse APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME: CLAY BASIN	
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: CLAY BASIN U 67	
2. NAME OF OPERATOR: WEXPRO COMPANY			9. API NUMBER: 43009300680000	
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs,	WY, 82902 307 922-5612	PHONE NUMBER: 2 Ext	9. FIELD and POOL or WILDCAT: CLAY BASIN	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1015 FNL 2314 FEL			COUNTY: DAGGETT	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNE Section: 21	P, RANGE, MERIDIAN: Township: 03.0N Range: 24.0E Meridian:	S	STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT,	OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
	ACIDIZE	ALTER CASING	CASING REPAIR	
✓ NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME	
4/8/2010	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE	
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION	
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK	
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION	
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON	
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL	
☐ DRILLING REPORT	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION	
Report Date:	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  The Clay Basin Unit #67 APD was originally approved on 04/09/09, for a				
	Wexpro Company requests a additional one year.		Approved by the Utah Division of Oil, Gas and Mining	
		D	ate: March 31, 2010	
		В	A: Profession	
NAME (PLEASE PRINT) Paul Jibson	<b>PHONE NUMBER</b> 307 922-5647	TITLE Permit Agent		
SIGNATURE	33. 322 3017	DATE		
N/A		3/30/2010		



#### The Utah Division of Oil, Gas, and Mining

- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### Request for Permit Extension Validation Well Number 43009300680000

**API:** 43009300680000 Well Name: CLAY BASIN U 67

Location: 1015 FNL 2314 FEL QTR NWNE SEC 21 TWNP 030N RNG 240E MER S

Company Permit Issued to: WEXPRO COMPANY

**Date Original Permit Issued:** 4/9/2009

with legal rights to drill on the property as permitted the req

information as submitted in the previously approve	d application to drill, remains valid and does not related to the application, which should be verified.
<ul> <li>If located on private land, has the ownership cha updated? Yes No</li> </ul>	nged, if so, has the surface agreement been
<ul> <li>Have any wells been drilled in the vicinity of the siting requirements for this location?</li> </ul> Yes	
<ul> <li>Has there been any unit or other agreements put of this proposed well?</li> <li>Yes</li> <li>No</li> </ul>	in place that could affect the permitting or operation
<ul> <li>Have there been any changes to the access route affect the proposed location? Yes No</li> </ul>	including ownership, or rightof- way, which could
• Has the approved source of water for drilling cha	nged? 🔘 Yes 📵 No
<ul> <li>Have there been any physical changes to the surf change in plans from what was discussed at the</li> </ul>	
• Is bonding still in place, which covers this propos	Approved by the sed well?  Yes No Utah Division of Oil, Gas and Mining
nature: Paul Jibson Date: 3/30/2010	
Title: Permit Agent Representing: WEXPRO COMPA	NY <b>Date:</b> March 31, 2010
	Bu Rasall V

Sig

Sundry Number: 13719 API Well Number: 43009300680000

	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCE	_	FORM 9
DIVISION OF OIL, GAS, AND MINING		5.LEASE DESIGNATION AND SERIAL NUMBER: SL 045051A	
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen agged wells, or to drill horizontal laterals. Us		7.UNIT or CA AGREEMENT NAME: CLAY BASIN
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: CLAY BASIN U 67
2. NAME OF OPERATOR: WEXPRO COMPANY			9. API NUMBER: 43009300680000
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs,		IE NUMBER: Ext	9. FIELD and POOL or WILDCAT: CLAY BASIN
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1015 FNL 2314 FEL			COUNTY: DAGGETT
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNE Section: 21	IP, RANGE, MERIDIAN: Township: 03.0N Range: 24.0E Meridian: S	5	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPORT,	, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
_	☐ ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	CHANGE WELL NAME
4/8/2011	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
SUBSEQUENT REPORT	☐ DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION	OTHER	
			OTHER:
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  The Clay Basin Unit #67 APD was originally approved on 04/09/09, for a period of one year. An APD renewal was approved on 3/31/2010 for an additional 1 year. At this time Wexpro Company requests the above APD be renewed for an additional 1 year.  Approved by the Utah Division of Oil, Gas and Mining			
		D	03/23/2011
		_	all has on
		E	By: Did Hill
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE	
Paul Jibson	307 352-7561	Permit Agent	
SIGNATURE N/A		<b>DATE</b> 3/23/2011	

Form 3160-5 (August 2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANY CONTROL OF

BUREAU OF LAND MANAGEMENT

2 2011

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Э.	Lease Serial No.	
	UTSL045051B	

SUNDRY NOTICES AND REPORTS ON WELL'S N. L.	L,	
Do not use this form for proposals to drill or to re-enter an		
abandoned well. Use form 3160-3 (APD) for such proposals.	180	

6. If Indian, Allottee or Tribe Name

	·			<i>9</i> R	<u> </u>		
SUBMIT IN TRI	7. If Unit or CA/Agreement, Name and/or No. UTU63009B						
1. Type of Well ☐ Other Other					8. Well Name and No. CLAY BASIN UNIT 67		
Name of Operator Contact: PAUL JIBSON WEXPRO COMPANY E-Mail: PAUL.JIBSON@QUESTAR.COM					9. API Well No. 43-009-30068-00-X1		
3a. Address 1955 BLAIRTOWN ROAD ROCK SPRINGS, WY 82902	o. (include area code) 10 22-5647 2-7575		10. Field and Pool, or Exploratory CLAY BASIN				
4. Location of Well (Footage, Sec., 1			11. County or Parish, and State				
Sec 21 T3N R24E NWNE 101	DAGGETT COUNTY, UT		UNTY, UT				
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE	NATURE OF	NOTICE, R	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION							
Notice of Intent	☐ Acidize	□ Dee	epen Production (Start/Resu		tion (Start/Resume)	☐ Water Shut-Off	
_	Alter Casing	□ Frac	ture Treat	☐ Reclam	ation	☐ Well Integrity	
☐ Subsequent Report	Casing Repair	□ Nev	Construction	Recomplete		Other	
☐ Final Abandonment Notice	☐ Change Plans	□ Plu	and Abandon	□ Tempor	rarily Abandon	Change to Origina PD	
	Convert to Injection	🗖 Plug	g Back	☐ Water Disposal			
The Clay Basin Unit #67 APD time Wexpro Company reques	its the above APD be rene	REC	for a period of additional 2 year CEIVED  O 2 2011  IL, GAS & MININ	VEF	RNAL FIELD OFFI	CE 200	
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #10	MOSO verifie	hy the RI M Wa	₹EC			
Comm	For WEXP	'RO COMPAI	IY. sent to the \	/ernal			
Committed to AFMSS for processing by ROB Name (Printed/Typed) G T NIMMO			Title OPERATIONS MANAGER				
Signature (Electronic S	ubmission)		Date 03/22/2	2011			
	THIS SPACE FOR	R FEDERA	L OR STATE	OFFICE U	SE		
14/	/			ant Field Ma		APR 2 5 2011	
Approved By January		<del></del>	Title Lands &	Mineral Re	sources	Date	
conditions of approval if any, are attached. Approval of this notice does not warrant or ertify that the applicant holds legal or equitable title to those rights in the subject lease thich would entitle the applicant to conduct operations thereon.			Office VERNAL FIELD OFFICE				
itle 18 U.S.C. Section 1001 and Title 43 U States any false, fictitious or fraudulent st	J.S.C. Section 1212, make it a catatements or representations as to	rime for any pe o any matter w	rson knowingly an thin its jurisdiction	d willfully to m	ake to any department or	r agency of the United	

### **CONDITIONS OF APPROVAL**

### **Wexpro Company**

#### **Notice of Intent APD Extension**

Lease:

UTSL045051B

Well:

Clay Basin Unit 67

Location:

NWNE Sec 21-T3N-R24E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 4/24/13.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-3406



## State of Utah

#### DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 14, 2012

Wexpro Company P.O. Box 458 Rock Springs, WY 82902

Re:

APD Rescinded - Clay Basin U 67, Sec. 21 T.3N, R.24E,

Daggett County, Utah API No. 43-009-30068

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 9, 2009. On March 31, 2010 and March 23, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 14, 2012.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

**Environmental Scientist** 

cc: Well File

Bureau of Land Management, Vernal





#### **United States Department of the Interior**

BUREAU OF LAND MANAGEMENT

Green River District Vernal Field Office 170 South 500 East Vernal, UT 84078

http://www.blm.gov/ut/st/en/fo/vernal.html

DEC 30 2014



IN REPLY REFER TO: 3160 (UTG011)

Paul Jibson Wexpro Company PO Box 458 Rock Springs, WY 82902 RECEIVED

FEB 0 9 2015

DIV. OF OIL, GAS & MINING

Dear Paul:

43 009 30068

The referenced Applications for Permit to Drill (APD) have expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

Lease	Well	Aliquot	Sec., T., R.	Date Rec'd	Date Exp'd
UTSL-045051A	Clay Basin Well No. 67	NWNE	Sec. 21-T3N-R24E	2/27/2008	4/24/2013
UTSL-045049	Clay Basin Unit No. 68	NWNE	Sec. 26-T3N-R24E	2/27/2008	4/24/2013

This office requires a letter confirming that no surface disturbance has been made for these drill sites. Any surface disturbance associated with the approved location of these wells is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka Assistant Field Manager Lands & Mineral Resources

CC:

**UDOGM** 

bcc:

Well File

I&E Asst.